

Message Text

LIMITED OFFICIAL USE

PAGE 01 COLOMB 01066 190339Z

13

ACTION NEA-12

INFO OCT-01 ISO-00 AID-20 EB-11 L-03 TRSE-00 IO-14 SP-03

NSC-07 RSC-01 CIEP-02 SS-20 STR-08 OMB-01 CEA-02

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12

LAB-06 SIL-01 PA-04 PRS-01 USIA-15 DRC-01 /164 W

----- 114608

R 181115Z APR 74

FM AMEMBASSY COLOMBO

TO SECSTATE WASHDC 842

LIMITED OFFICIAL USE COLOMBO 1066

EO 11652: N/A

TAGS: EAID, CE

SUBJ: MOV NEGOTIATIONS: SIXTH MEETING, APRIL 17

REF: STATE 76321; COLOMBO 1002

1. ATTENDANCE AT SIXTH MEETING APRIL 17 WAS SAME AS FIFTH MEETING EXCEPT FOR ABSENCE OF V. SIVASUBRAMANIAN, STAFF ASSISTANT, PUBLIC DEBT DEPARTMENT CENTRAL BANK. MEETING WAS SHORTEST TO DATE, LASTING ONLY ABOUT TWENTY MINUTES.

2. AMB TOLD COOREY THAT WASHINGTON HAD BEEN INFORMED USG COMPROMISE PROPOSAL WAS UNACCEPTABLE TO GSL. AMB THEN SPELLED OUT REASONS WHY CEYLONSE PROPOSAL TO ACCEPT MOV PRINCIPLE BUT PAY AT OFFICIAL RATE NOT CONSIDERED VIABLE NEGOTIATING PROPOSAL, DRAWING ON GUIDANCE PROVIDED STATE 76321. HE ALSO TOLD COOREY USG CONSIDERS ANY FURTHER ATTEMPT TO COMPARE CEYLONSE AND PAKISTAN EXCHANGE RATE ESYSYSTEMS VALUELESS IN REACHING NEGOTIATED SETTLEMENT.

3. REGARDING COOREY'S PRIOR MENTION THAT EITHER USG COMPROMISE PROPOSAL OR OTHER REPAYMENT MIX (PREVIOUSLY LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 COLOMB 01066 190339Z

REFERRED TO AS "MORE LOGICAL") WOULD IMPOSE EXCESSIVELY

HEAVY FINANCIAL BURDENS ON GSL, AMB AGAIN NOTED THAT REPAYMENT OF PRINCIPAL AND INTEREST WOULD TAKE PLACE OVER EXTENDED PERIOD. TWO OF THREE DISPUTED LOANS WERE NOT SCHEDULED TO BE PAID UP UNTIL 1990, THE THIRD IN 1997. HE ALSO REITERATED THAT ALTHOUGH ARREARAGES HAD NOT YET BEEN DISCUSSED, AND NORMAL REPAYMENT PERIOD OF ARREARAGES IS 90 DAYS, ARREARAGE TIMETABLE WOULD BE CONSIDERED IN CONTEXT OF OVER-ALL AGREEMENT. AMB CONCLUDED BY EMPHASIZING USG HAD AGREED TO GSL'S CONTENTION THAT MOV CLAUSE IN ICA LOANS PERMITS TWO SIDES TO REACH NEGOTIATED RATE BY "MUTUAL AGREEMENT", POINTED OUT US HAD PUT FORWARD CONSTRUCTIVE PROPOSAL, AND URGED GSL TO COME FORWARD WITH REASONABLE COUNTER-PROPOSAL.

4. COOREY MADE NO SUBSTANTIVE REPLY WHEN AMB STATED GSL'S PROPOSAL IN EFFECT TO PAY AT OFFICIAL RATE WAS UNACCEPTABLE AND HE DID NOT RAISE LEGAL ARGUMENTS PUT FORWARD PREVIOUSLY. INSTEAD, HE SAID HE HAD REPORTED TO HIS GOVT ON PREVIOUS MEETINGS AND WOULD NOW REPORT OFFICIAL USG REACTION TO PROPOSITION HE HAD ADVANCED AT LAST MEETING. HE NOTED THAT HE WAS LEAVING SHORTLY FOR ADB MEETING IN KUALA LUMPUR BUT EXPRESSED HOPE HE WOULD HAVE GSL COUNTER-PROPOSAL IN TIME FOR NEXT MOV MEETING WHICH WAS SCHEDULED FOR 11:00 AM ON MAY 8. DURING INTERVENING PERIOD, IT WAS AGREED THAT EMBASSY AND GSL WOULD SEEK TO CONFORM FIGURES ON PAYMENTS AND ARREARAGES. VAN HOLLEN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEBT REPAYMENTS, NEGOTIATIONS, FOREIGN EXCHANGE TRANSACTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974COLOMB01066
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740091-0388
From: COLOMBO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740434/aaaabdxu.tel
Line Count: 90
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: STATE 76321; COLOMBO 1002
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 07 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07-Aug-2002 by worrelsw>; APPROVED <07-Aug-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MOV NEGOTIATIONS: SIXTH MEETING, APRIL 17
TAGS: EAID, CE
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005